

Town of Colchester Fiscal Year 2011 Budget Newsletter



FY 11 Budget Highlights

- FY 11 budget = \$10,776,711
FY 10 budget = \$10,400,758
- The Grand List is projected to only go up by 0.5% due to the economy
- FY 11 tax rate = \$0.7548
FY 10 tax rate = \$0.7423
- Increase in the tax rate is only 1.68% from final FY 10 tax rate (0.91% from original FY 10 projection for March, 2009 vote)
- Debt service is going down by almost 10%
- There is a planned reduction on fund balance of \$341,600 to help keep the tax rate down
- Health insurance premiums are going up faster than inflation



Municipal Taxes to increase by only 1.25 cents

Reflections on the FY 11 Budget

The FY 11 budget reflects the difficult economic times we are in. This budget is both cautious and comprehensive. We have been able to keep the tax increase very low while maintaining services to our citizens.

Each year when the Town prepares the budget for the

coming fiscal year we go through a process of review and evaluation. Each department reviews its programs and assesses priorities and needs to better serve the public. The goal is to keep tax rates as low as possible, while maintaining services to the public.

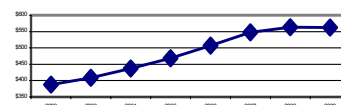
In addition, each department sets a measurable goal every year. We evaluate if the goals have been achieved and report this on our web site.

Performance Measurement Coming

As a result of a recommendation in the HR study done by an outside consultant, we will be establishing performance measures for each department in FY 11. A goal of performance measurement is make the government more

accountable to its citizens.

Standardized performance measures will allow us to compare the Town of Colchester with other municipalities.



Ballot Wording for the General Fund Operating Budget

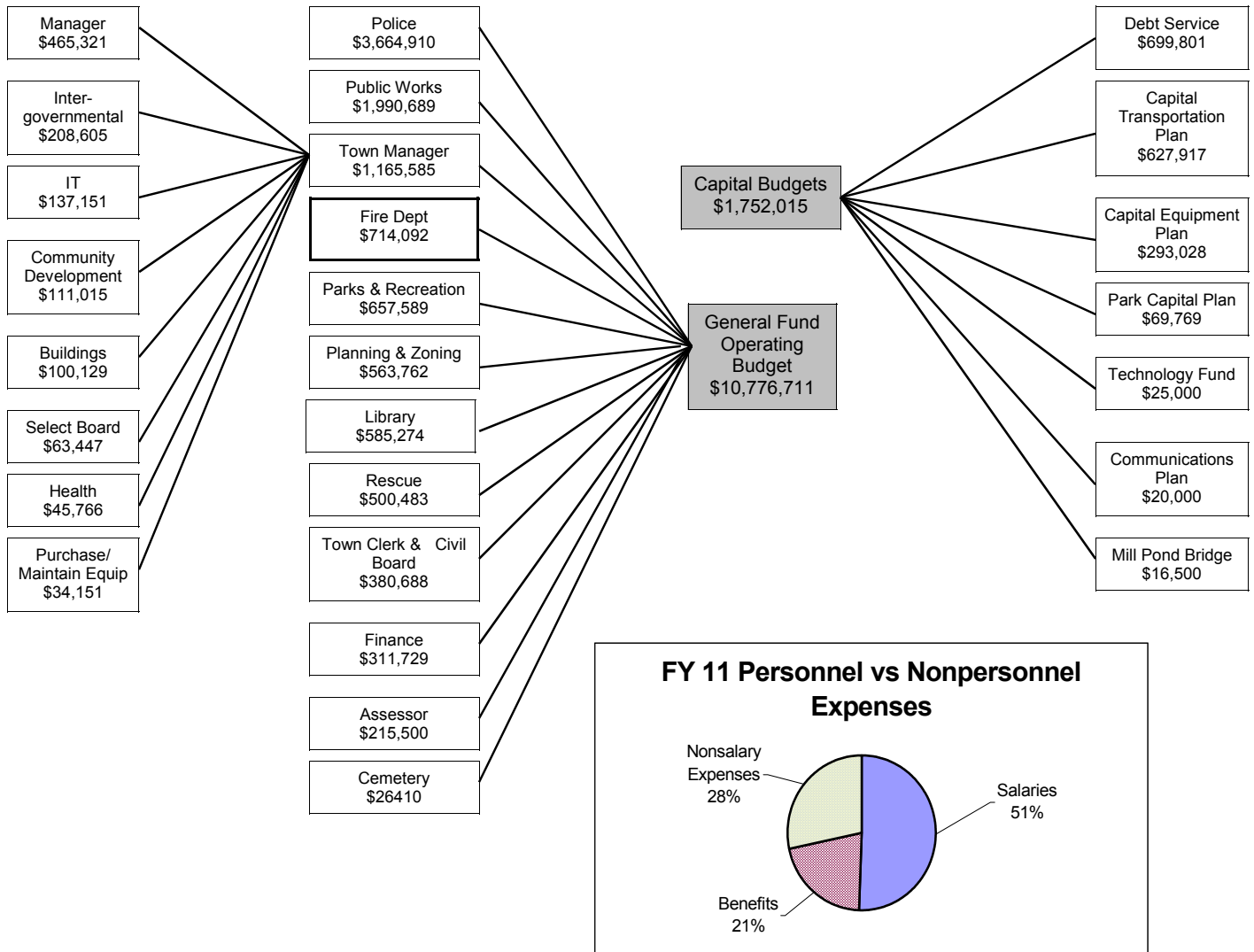
“Shall the Town of Colchester adopt the Town Operating Budget in the amount of \$10,776,711 for the fiscal year beginning July 1, 2010, as recommended by the Select Board.”

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☆☆ Cost of a 1.25 Cent Tax Increase in FY 11 ☆☆☆
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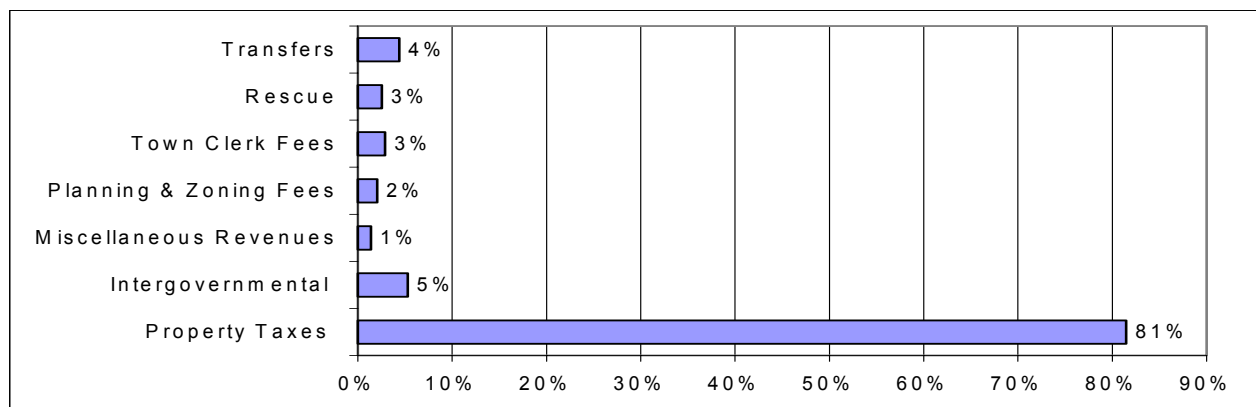
Assessed Value	FY 11 Tax Increase	Weekly Tax Increase
\$150,000	\$19	\$0.37
\$200,000	\$25	\$0.48
\$250,000	\$31	\$0.60
\$300,000	\$37	\$0.71
\$350,000	\$44	\$0.85
\$400,000	\$50	\$0.96
\$450,000	\$56	\$1.08
\$500,000	\$62	\$1.19
\$550,000	\$69	\$1.33

Town of Colchester FY 11 Budget Newsletter (continued)

How Your Tax Dollars Money are Spent



Where our Revenue Comes From



Renewal Requested for 3 Capital Plans

Capital Transportation Program

The Capital Transportation Program is designed to address the Town's capital needs relating to transportation corridor improvements. These improvements may include various pavement rehabilitation strategies, intersection and drainage improvements, the development of both sidewalks and multi-use pedestrian facilities, general safety improvements and all related project expenses.

We are requesting reauthorization for a 6 years. Although, this plan is very important to the Town, we are reducing the authorization request by \$0.050 to \$0.045 to help reduce the increase in the tax rate in FY 11.



Capital Technology Fund

We are requesting reauthorization of this fund for 5 years at \$25,000 per year.

In the next 5 years, we will need to purchase over \$444,000 of technology equipment and software. This includes over \$100,000 for radios to meet federal standards.

The laptops in the police cruisers will have to be replaced in the next 5 years. The computers used in the Town are replaced on a rotating basis. We need to upgrade our operating system, office software and acquire more licenses and purchase additional software for several departments.



Capital Communications Fund

The Town is asking for reauthorization of this fund for a 5 year period at \$20,000 per year.

A new console will be needed for the new police station and it will need to be replaced every 10 to 15 years. The cost is estimated to be over \$100,000. We may need an additional station if we were to begin dispatching for another town.



Fiscal Year 2010 Municipal Tax Calculation
(compared with tax projection at time of March, 2009 election—final tax was lower due to unexpected growth in Grand List)



Tax Items	FY 10 Final Tax Rate as of 7/1/2009	FY 10 Tax Rate Projection for March Election	FY 11 Tax Rate	% Change in FY 11 Tax Rate from FY 10 Tax Projection
Net General Operating Budget	\$0.6063	\$0.6115	\$0.6292	2.89%
Debt Service	\$0.0556	\$0.0561	\$0.0502	(10.52%)
Capital Transportation Program	\$0.0500	\$0.0500	\$0.0450	(10.00%)
Capital Equipment Plan	\$0.0210	\$0.0210	\$0.0210	0.00%
Approved Articles:				
Technology	\$0.0018	\$0.0018	\$0.0018	0.00%
Dispatch Communications	\$0.0014	\$0.0014	\$0.0014	0.00%
Mill Pond Bridge	\$0.0012	\$0.0012	\$0.0012	0.00%
Park Capital Plan	\$0.0050	\$0.0050	\$0.0050	0.00%
Net Municipal Tax Liability	\$0.7423	\$0.7480	\$0.7548	0.91%

Use of Fund Balance Reserves

In order to balance the budget and keep the tax rate as low as possible, we are proposing to deficit spend by \$341,600. This will reduce the Fund Balance by that amount. This will allow us to pay for increased expenses without raising taxes to cover that amount of expense.

The Fund Balance should be about 8% at the end of FY 11, which is within the auditor's recommendation that the unreserved Fund Balance be maintained at between 5 to 15% of the next year's budgeted expenditures.

For FY 10, the Town is deficit spending by \$385,000.

How Colchester will Cope with the Current Financial Challenges

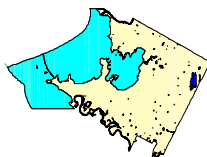
- Limit the replacement of vacated positions to critical functions
- Review employee benefits for potential cost savings
- Continued effort to reduce variable overhead expenses
- Increase nontax revenues where possible
- Work to reduce rise in health insurance costs

**The Town and School
Budget votes are on
March 2, 2010**

Al Voegele, Town Manager
PO Box 55 781 Blakely Rd
Colchester, VT 05446
Phone: 802-264-5501 Fax: 802-264-5503
Email: avoegele@colchestervt.gov

Select Board Members

Dick Paquette, Chair
Roger Derby Marc Landry
Brian McNeil Mickey Palmer



The budget may be reviewed at
the Town Offices,
the Burnham Memorial Library and
at the Town's web site
www.colchestervt.gov

